

# News from Ed Markey

**United States Congress**

**Massachusetts Seventh District**

**FOR IMMEDIATE RELEASE**

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## **MARKEY: SEC RULEMAKING IS WATERED DOWN, DOESN'T PROTECT ORDINARY INVESTORS**

*Lawmaker urges Bush Administration to Install New SEC Chair Immediately*

**Washington D.C.**— Representative Edward J. Markey (D-MA), a senior Democratic Member of the House Energy and Commerce Committee, today released the following statement on the Bush Administration's delay in nominating to the Senate a new Securities and Exchange Commission (SEC) Chairman:

"The SEC abandoned the tough reforms needed to restore investor confidence in the aftermath of last year's corporate scandals. Instead, the Republican-controlled Commission has watered down badly needed reforms and sided with the accounting industry at the expense of ordinary investors.

"It's outrageous that Harvey Pitt, whose own conflicts-of-interest and poor judgment led to his resignation more than two months ago, remains in charge while the Commission crafts landmark rules to implement the corporate responsibility law enacted last summer. Mr. Pitt has revalidated the reasons why his resignation was needed in the first place — he's incapable of shifting from his former role as an agent of the accounting industry to an advocate for investors.

"Under Mr. Pitt's compromised leadership, the Commission has missed an important opportunity to prevent the type of conflicts-of-interest that led Arthur Andersen and other major accounting firms to look the other way while their clients cooked the books. Mr. Pitt seems to suffer from short-term memory loss, but investors, workers and retirees will feel the effects of Enron, WorldCom, Global Crossing and other recent corporate meltdowns long into the future.

"I urge President Bush to move quickly to formally submit to the Senate the nomination of the new chairman of the SEC. As long as Mr. Pitt remains chairman, the Commission will struggle to develop the type of strong rules needed to respond to the problems revealed during last year's corporate scandals."

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